

MEMO

DATE: January 6, 2005
TO: Transportation and Communications Committee
FROM: Philbert Wong, Assistant Regional Planner
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RE: Go21 Policy Analysis

SUMMARY

At the request of Councilmember Sid Tyler, City of Pasadena, staff has prepared a memo relating Go21's statement of principles to SCAG's goods movement planning efforts. Go21, which stands for Growth Options for the 21st Century, advocates for increasing the volume of goods handled by rail. SCAG recognizes that rail transportation will continue to play a significant role in the movement of goods, and as a result rail infrastructure improvements, including track capacity and grade separations, will be needed to accommodate future growth. SCAG recognizes this fact and included these improvements in the 2004 RTP. Furthermore, SCAG has proposed the use of tax credit bonds to finance such improvements. In addition, SCAG supports exploring options for reducing truck trips and increasing rail use. Such strategies, such as inland ports, offer the potential for reducing truck trips and therefore merit further study. However, even if strategies to increase rail use to and from the ports can effectively be implemented, the region will still experience a large increase in truck trips, warranting the need for highway infrastructure improvements.

BACKGROUND

Go21 is a non-profit organization that advocates for increasing the volume of goods hauled via rail transportation relative to trucking as a means of reducing highway congestion, improving the environment, and improving quality of life. Currently, the railroad industry is the sole financial supporter of Go21, though Go21 will be seeking other sources of funding in the future.

Go21 advocates for increasing the use of rail in the movement of goods. According to the American Association of State Highway and Transportation Officials (AASHTO), freight volumes are expected to increase more than 67% by 2020. Based on this data, Go21 believes that the increased use of rail for goods movement will improve quality of life, reduce highway congestion and improve safety, and improve air quality. Furthermore, Go21 believes that investments in rail infrastructure are an efficient use of tax dollars. (see attachment on the fourth page of this memo for a detailed description of Go 21's statement of principles)

According to Go21's website, Go21 has received support from a variety of individuals and organizations, including the following from California (current as of 11/15/04):

- Councilmember Arthur C. Brown, City of Buena Park
- Mayor Jim Dear, City of Carson
- California State Senator Betty Kernet (representing portions of southern Los Angeles County, including the cities of Long Beach, Cerritos, and Downey)



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- California State Senate Majority Leader Don Perata (representing the east bay area of the San Francisco bay area, including the cities of Oakland and Berkeley)
- Mayor Bob Zirbes, City of Diamond Bar

Go21 is currently in the process of formulating an implementation strategy for its statement of principles. One of the key components of their strategy will be in the form of legislative initiatives, including the establishment of tax incentives to assist the railroad industry in investing in rail facility and infrastructure improvements in order to increase capacity and reduce bottlenecks. Go21 would also advocate for public investment in private right-of-way, i.e. railroad infrastructure, should the benefits of such improvements outweigh the costs.

SCAG, as well as the Ports of Long Beach and Los Angeles, project significant growth in goods movement over the next twenty years. For example, the Los Angeles-Inland Empire Mainline Rail Study, completed by SCAG in October 2002, projected freight train traffic to increase from a total of 112 freight trains today traveling on the mainline freight rail network to 165 trains in 2010 to 250 trains in 2025. Furthermore, the Ports of Los Angeles and Long Beach, which in 2003 handled 11.8 million Twenty Foot Equivalent Units (TEUs), forecast that they will be handling as many as 36 million TEUs by 2025, which will generate additional truck and train trips.

To help handle this growth, the railroads are expected to transport a larger percentage of port traffic in the future relative to today. For example, the Alameda Corridor currently handles an average of 38 trains daily, and is forecast to handle 128 trains by 2020. In its Rail Master Planning Study, the Port of Long Beach indicated that the use of on-dock rail will grow significantly by 2020. Last year, approximately 1.87 million, or 16% of TEUs, out of a total of 11.8 million TEUs at the ports were handled via on-dock rail. These containers are transferred directly from ship to train, out of the ports, and onto the regional rail network, bypassing the highway system altogether. By 2020, up to 12.5 million, or 35% of total port TEUs, will be handled via on-dock rail. This figure represents maximum utilization of on-dock rail capacity at the ports.

SCAG supports rail infrastructure improvements such as additional track capacity and grade separations. Based on projected traffic levels, the Los Angeles-Inland Empire Mainline Rail study determined that up to \$1.2 billion would need to be invested into rail infrastructure improvements in order to maintain current service levels. Furthermore, grade separation improvements, including those in the Alameda Corridor East and ONTRAC projects, are estimated to cost an additional \$2.2 billion. Both the rail capacity and grade separations are included in the 2004 Regional Transportation Plan. To finance these improvements, SCAG proposed the issuance of tax credit bonds leveraged from fees assessed on corridor traffic, estimated to be \$5.39 per TEU. This concept is detailed in the Regional Rail Capacity Improvement Program briefing paper, released by SCAG in January, 2004 (<http://www.scag.ca.gov/goodsmove/reportsmove.htm>).

Though rail infrastructure improvements are important to the region, SCAG also recognizes the need to improve the region's highway infrastructure to accommodate growth in truck traffic, as almost all goods will need to travel via truck at some point to reach its ultimate destination. The 2004 RTP indicates that in 2000, heavy-duty truck vehicle miles traveled (VMT) in the region totaled 23,936,842 miles. By 2030, heavy-duty truck VMT is projected to increase to 39,072,082

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miles. Furthermore, truck trips will increase from 1.1 million in 2000 to 1.6 million by 2030. Additionally, the Ports of Los Angeles and Long Beach project that daily truck trips generated at the ports will increase from 34,725 today to between 85,000-102,000 daily truck trips by 2020, even after accounting for the increased use of on-dock rail. This increase will be reflected on the region's highways - at the I-710 at Rosecrans, for example, daily truck traffic is forecast to increase from 33,100 today to 61,700 by 2030. Highway infrastructure improvements are needed in addition to rail capacity improvements to handle the increasing volume of goods flowing through the region.

In terms of shifting cargo from trucks to trains, the Ports of Los Angeles and Long Beach, in partnership with the Alameda Corridor Transportation Authority, are currently working on strategies to reduce truck trips and increase the use of rail to transport goods to and from the ports. The first of these strategies is to extend gate hours and weekend shifts, so that trucks are able to transport more goods during nighttime and weekend hours. The second is to initiate a pilot shuttle train project that would help shift the transportation containers currently carried by truck to trains. The third is to develop a "virtual container yard", which would help reduce truck trips by reloading empty containers already on their way to the port with goods destined for export. Initial findings of this study indicate that using a combination of the three strategies, in 2005 weekday truck trips can be reduced approximately 18%. In 2010, these strategies have the potential to reduce weekday truck trips almost 20%. These results demonstrate that significant reductions in daily truck trips and associated congestion could occur as a result of a combination of strategies, and not from any single strategy.

DOCS#105201





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Statement of Principles

Go21 STATEMENT OF PRINCIPLES

Go21 is a non-profit, public interest organization dedicated to improving the quality of life for all Americans and building a stronger economy by promoting increased use of freight rail transportation as an alternative to continued reliance on an overcrowded highway system. Go21's mission is based on the following principles:

Growing Freight Volumes will Make Congestion Worse on Our Overcrowded Highways The U.S. economy and population are growing and the amount of freight that must be transported is increasing, even as numerous U.S. highways are already so heavily congested that they are at or near their capacity. With freight volumes expected to jump more than 67 percent by 2020, according to the American Association of State Highway and Transportation Officials (AASHTO), we must pursue growth options designed to move goods as safely and efficiently as possible.

Freight Transportation and Quality of Life Are Directly Connected How our nation's freight is transported directly impacts our quality of life – the strength of our economy and the number of available jobs; the safety of our highways; the amount of traffic congestion we encounter; the prices we pay for everything from household goods to electricity; the air we breathe; and the efficient use of our tax dollars.

Freight Rail Improves Quality of Life Rail intermodal is the fastest growing segment of the U.S. freight railroad industry. It combines the long haul efficiency of rail with the door-to-door convenience of trucks. When truck trailers move by rail, quality of life improves.

Rail Relieves Highway Gridlock and Makes Highways Safer One intermodal train can carry 280 truck trailers—the equivalent of more than 1,000 automobiles in terms of highway congestion. With freight volumes growing, more truck trailers moving by rail will mean less congested and safer highways.

Rail is Fuel Efficient and Better for the Environment Rail moves a ton of freight more than 400 miles on just one gallon of fuel. Rail reduces harmful air pollutants by 6 to 12 times. State transportation officials call rail a "preferred mode" for hauling hazardous materials because of fewer spills and accidents.

Rail Yields Financial Benefits America's railroads save money for businesses and consumers. According to AASHTO, rail investments are an efficient use of tax dollars, providing as much as a 12 to 1 return on investment.

I support the Go21 mission of building a stronger economy, effective solutions to highway congestion, a cleaner environment, and improved quality of life by

Policy Issues

- [Public Private Partnerships](#)
- [AASHTO Freight-Rail Bottom Line Report](#)
- [How Rail Can Improve Congestion](#)
- [Congestion Study: Traffic Getting Worse!](#)

advocating for increased use of freight railroad transportation .

Click here to see who has signed in support of the Go21 Statement of Principles.

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